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**Permanent sovereignty of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources**

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**Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan**

# Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan

## Note by the Secretary-General

In its resolution 1997/67 of 25 July 1995, entitled "Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan", the Economic and Social Council requested the Secretary-General to submit to the General Assembly at its fifty-third session, through the Council, a report on the implementation of the resolution. The General Assembly, in its resolution 52/207 of 18 December 1997, reiterated the request for a report. The annexed report, covering the period from June 1997 to May 1998, which was prepared by the Economic and Social Commission for Western Asia, is being submitted in response to that request.

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# Annex

## Report prepared by the Economic and Social Commission for Western Asia

## I. Introduction

1. The General Assembly, in its resolution 52/207 of 18 December 1997, aware of the additional, detrimental economic and social impact of the Israeli settlements on Palestinian and other Arab natural resources, especially the confiscation of land and the forced diversion of water resources, took note of the report of the Secretary-General on the economic and social repercussions of the Israeli settlements on the Palestinian people in the Palestinian territory, including Jerusalem, occupied since 1967, and on the Arab population in the occupied Syrian Golan (A/52/172-E/1997/71 and Corr.1), reaffirmed the inalienable rights of the Palestinian people and the population of the occupied Syrian Golan over their natural resources, including land and water, and requested the Secretary-General to submit to it at its fifty-third session a report on the progress made in the implementation of the resolution. The present report is submitted in response to that request and covers developments through May 1998. This report also constitutes a response to Economic and Social Council resolution 1997/67 of 25 July 1997.

## II. Economic and social repercussions of the Israeli occupation

2. The stalling peace process has been accompanied by continuing hardship for the Palestinians in the occupied territory as well as for the Arab population of the occupied Syrian Golan. Israeli occupation policies and closures of the occupied territories continued to aggravate the living conditions of the Palestinian people.

3. Israeli settlements have been built at some 200 sites seized by civilian and military bodies representing the Government of Israel, as well as by Israeli civilians empowered by Israel to undertake such activity. The land under exclusive Israeli control amounts to about 72 per cent of the West Bank (area C)[1] and 40 per cent of the Gaza Strip. In addition, 30 per cent of the area of East Jerusalem is under effective Israeli ownership. No similar estimates are available for the Golan Heights, where some 15,000 inhabitants of Syrian nationality are living in a few villages close to the Syrian-Lebanese border.[2]

4. Israel has established approximately 150 settlements in the West Bank, with a civilian population of 170,000; in East Jerusalem, approximately 180,000 Israelis are resident; in the Gaza Strip, 5,500 settlers live in 16 settlements; and in the Golan Heights, 15,000 settlers reside in 36 settlements. By the end of 1998, more than 350,000 Israelis will be living in over 200 communities established since 1967 in the West Bank, East Jerusalem, the Gaza Strip and the Golan Heights.[3]

5. The Jabal Abu Ghneim (Har Homa) project represents a specific example of this policy. Although Israel's decision to establish the new settlement at Jabal Abu Ghneim has been opposed in resolutions adopted by the General Assembly, the present Government has declared that it has no intention of halting or suspending the project. It is intended to become one of the largest settlement projects initiated to date. It is located south of Jerusalem and overlooks the cities of Bethlehem and Beit Sahour. The area of the land set aside for the project amounts to 1,850 dunums (a dunum is equal to approximately 1,000 square metres); the master plan covers an area of 2,056 dunums. In the first stage, this settlement is expected to accommodate 4,000 settlers in 1,000 housing units, gradually increasing to 30,000 settlers occupying some 6,500 units in the final stage.[4]

6. The second half of 1997 was marked by a substantial increase in building construction throughout the occupied territories. New construction has been observed at 93 of the 130 settlements in the West Bank, in settlements close to Jerusalem, as well as isolated posts in the West Bank heartland. Because of their distance from existing facilities, at least 13 of these construction sites could be characterized as new settlements, although they are considered by Israel to be part of existing settlements. Press reports in Israel place the number of new units under construction at 5,000 during 1997. Other sources have confirmed the approval and initial construction of 4,000 units in West Bank settlements, enough to increase the settler population in the West Bank and Gaza Strip by more than 10 per cent. There are currently more than 160,000 Israelis living in 45,000 units in the West Bank and Gaza Strip.[5]

7. The situation of Israeli settlements expansion in the occupied territories, at the end of 1997, could be summarized as follows:

**A. Settler population**

West Bank: 165,000
Gaza Strip: 5,500
Golan Heights: 15,000
East Jerusalem: 180,000

**B. Settlement expansion**

New settlement areas established: 13
New dwellings begun in settlements: 4,500-5,000

**C. Number of new dwellings formally approved** (August 1996-March 1998): 2,268

**D. Number of units sold in West Bank settlements**: 1,560

**E. Number of units completed in West Bank settlements**: 4,000

**F. Total lands confiscated in 1997**: 25,000 dunums

Bypass roads: 4,951 dunums
New settlements: 723 dunums
Settlement expansion: 14,784
Industrial settlements: 4,480

**G. Palestinian homes demolished by the Israel Defence Forces, area C**: 233 in 1997

290 from January 1997 to March 1998

*Sources*: Foundation for Middle East Peace, *Report on Israeli Settlements in the Occupied Territories* (Washington, D.C., March 1998), pp. 1-2; Khalil Tufakji, Orient House; Palestinian Society for the Protection of Human Rights and the Environment, E-mail communication, 24 April 1998.

8. The plans of the Ministry of Housing and Construction for 1998 include tendering land for the first 1,000 units to be built in the settlement of Har Homa, as well as 820 units in the "greater Jerusalem" settlement of Givat Ze'ev. These allocations are part of a 1998 programme to tender more than 27 per cent of the national total of 23,000 units in land occupied in 1967, a goal which, if implemented, will indicate a significant campaign of intended settlement expansion.[5]

9. Settlement expansion in the West Bank appears to be occurring not only in those areas within easy commuting distance of Jerusalem and the Tel Aviv metropolis, but also in the rural, isolated outposts throughout the West Bank. The increasing dependence on market forces in the housing market appears not to have stopped the expansion of settlements in these latter areas.

10. Since 1967, only 12 per cent of all new construction in Jerusalem has taken place in East Jerusalem. During the period 1977-1983, for example, 90 per cent of construction was for Israelis. The figure translates into an annual pace of apartment construction of 2,170 for Israelis and only 230 for Palestinians. Housing construction for Israelis in East Jerusalem, occupied since 1967, has been critical to the overall growth of the city. The 180,000 Israelis who today live in this area comprise 76 per cent of the total increase in Jerusalem's Jewish population since 1967.[6]

11. Government restrictions on Palestinian housing construction, and the complementary boom in Israeli construction that has amounted to more than 40,000 apartment units built in East Jerusalem settlement communities, have ensured that Palestinians today comprise no greater a share of the city's population than they did in 1967. An additional 46,300 housing units are planned for the entire city. Out of these, about 10,000 will be built on 14,000 dunums (3,500 acres) of Israeli territory included in West Jerusalem in May 1996. An additional 17,710 units will be located in East Jerusalem settlement communities.[7]

12. During the next 15 years, the outer ring of settlements of greater Jerusalem might accommodate more than 200,000 new settlers, in addition to the 50,000 currently residing there, according to some estimates. During this period, completion of the Israeli suburban sections within Jerusalem itself (Har Homa and other locations) is expected to increase the number of East Jerusalem's 180,000 Israeli citizens to at least 250,000. In that sense, settlement expansion in East Jerusalem continues to play a crucial role in offsetting Palestinian population growth. This increase in Israel's settler population would bring the total number of Israeli settlers in and around East Jerusalem by the year 2015 to 500,000. The Palestinian population is expected to double over the same period, to 1.5 million within greater Jerusalem and to 1 million in the metropolitan region.[8]

13. The scheme[9] for development of this area has significance beyond the territory that it encompasses, demonstrating the degree to which settlement expansion has been integrated into Israel's national planning schemes. E-1 controls the main axis of socio-economic development for Israel itself, as outlined in the metropolitan master plan, completed in 1994-1995. This critical area runs along the trajectory of road 45, which originates in greater Tel Aviv and leads via Ben Gurion Airport – with expansion planned in conjunction with large industrial zones around the new city of Modi'in to greater Jerusalem at the West Bank settlement of Givat Ze'ev. The road continues along the recently developed archeological site next to the Prophet Samuel's tomb – to be surrounded at a distance by gentrified

housing estates – and passes the East Jerusalem settlement community of Ramot and the expanding high-technology industrial park of Har Hotzvim to arrive at the projected "Eastern Gate" settlement site in East Jerusalem. From there it passes to Ma'ale Adumim, with its industrial zone, also scheduled to expand greatly, and another large residential area projected at Tibek Kuteif, on the heights above the Jordan Valley.

14. In 1967, 2,300 square kilometres of the West Bank and Gaza Strip were under Palestinian cultivation. In 1989, the figure had been reduced to 1,945 square kilometres, or 31.5 per cent of the West Bank and Gaza Strip. Agriculture comprised 24 per cent of gross domestic product (GDP) in 1966, the same percentage as in the period 1980-1985. By 1994, the percentage had decreased to less than 15 per cent.[10] In 1966, the agricultural sector provided employment for 55,000, or 43 per cent of total employment, whereas in the period 1980-1985, there were 40,000 employed in the agricultural sector, comprising 24 per cent of those Palestinians employed.[11] In 1993, the percentage of employed persons working in agriculture was 22 per cent.[12]

15. These gross indicators, however, cannot lead to any specific conclusions regarding the real effect of settlements on agricultural employment or production, or land under cultivation. Settlements are only one of a number of variables that must be considered when assessing these trends.

16. In this context, there are regions such as the Jordan Valley where a direct link may be established between the loss of Palestinians' agricultural opportunities and Israeli settlements. Contamination by sewage also directly affects Palestinian agriculture, albeit on a smaller scale, in the region around Kiryat Arba near Hebron. The confiscation of agricultural lands and their transfer to settlements, which has occurred on numerous occasions, may well result in loss of agricultural income and employment, though this has never been quantified beyond anecdotal reporting. There are also costs associated with Israeli-owned industries in the occupied territories, such as a recycling plant for used motor oil, stone quarries and other plants where harmful and toxic by-products are produced.

17. Limited access to water remains the greatest obstacle to Palestinian agricultural development. According to a recent report by Miriam Lowi for the American Academy of Arts and Sciences, almost the entire increase in Israeli water use since 1967 derives from the waters of the West Bank and the upper Jordan River.[13] However, Israel is today in the midst of a water emergency. Even with the resources acquired in 1967, it is pumping more water from aquifers than nature can replace. In the West Bank, Israel is exploiting water amounting to 15 per cent of total consumption for its own population in Israel and the occupied territories. It is also preventing the Palestinian community from increasing its water use to barely 20 per cent beyond the amount used in 1967, and only for personal use, not for agriculture and economic development. "The status quo", wrote Leopold Laufer in a recent report for an Israeli think tank, "has effectively barred economic development in the territories and in Gaza".[14]

18. In both the bilateral and multilateral negotiations which began in Madrid, Israel has sought to protect its continuing control over this resource in the West Bank, which was described by Israel's State Comptroller in February 1993 as the principal reservoir of drinking water for the Dan region, Tel Aviv, Jerusalem and Beersheba, and the most important long-term source in the national water system.[14]

19. In 1987, when settlers were barely 10 per cent of the Palestinian population in the West Bank, Palestinian consumption totalled 115 $cm^3$ while settler consumption equalled 97 $cm^3$.[15] A report by Peace Now noted that the Jewish settlers' per capita irrigated areas are 7 and 13 times larger than the areas accorded to the Palestinians for irrigation in the Gaza Strip and West Bank, respectively.[15]

20. A report prepared by the Jerusalem Media and Communication Center in November 1992 notes that lack of water has forced Palestinian farmers to remove tracts from cultivation and that the digging of new deep wells for settlements, particularly in the Jordan Valley, has caused subsequent shortages for Palestinian farmers.[16]

21. There are approximately 260 Israeli-owned industrial enterprises in the West Bank. Environmental regulations on soil, air and water quality, and restrictions on industrial development, have generally been far less comprehensive and much less enforced in the occupied territories compared to Israel proper.[17] Combined with state-subsidized incentives for Israeli concerns to locate to industrial parks in and nearby settlements, the relative laxity of environmental enforcement and monitoring has led to the relocation of polluting industries into the occupied territories.

22. The factories posing an environmental risk generally utilize wet processes in the industrial sectors of packaged food, manufacturing, metal coating and textiles.[18]

23. The Shomron Municipal Environmental Association, a governmental body established by settlements in the northern part of the West Bank to monitor and improve environmental quality, acknowledges that "waste-water

effluents from these plants and from nearly 100 residential communities in our region, if not properly treated, pose a threat to the groundwater quality in the region. In addition, industrial air emissions and noise generation can be problematic at some factories".[19]

24. There are 45 enterprises operating in the industrial park of Burkan adjacent to the settlement of Ariel. Most are engaged in the production of fabric and plastics for export. The owners of these factories escape the tighter rules on health and the environment inside Israel itself to work in the West Bank where they get tax breaks.[20] In addition to Burkan, Palestinians have complained about the operation of industrial facilities at Ariel, Karne Shomron, Kiryat Arba, and Adumim.[21] Of particular concern is the effect of industrial development on the quality of groundwater, which Palestinian investigators have found to be "significantly more polluted" near settlements than elsewhere.[21]

25. The settlement of Kiryat Arba has been identified by Palestinian investigators as "the main source of pollution in the Hebron area".[22] A tile factory located in the settlement's industrial area was flushing its wastewater through the sewage system, resulting in numerous problems. The city of Hebron successfully petitioned the court to stop this practice. The wastewater is now trucked off in tanks and dumped on Palestinian fields.[22] The water contains high levels of calcium carbonate, increasing the already high pH level of the land.

26. Geshurei Industries, a manufacturer of pesticides and fertilizers, was originally located in the Israeli town of Kfar Saba. Public concern about the environmental effects of the factory – on land, public health and agriculture – resulted in an Israeli court order in 1982 closing the plant. Since 1987, the factory has been operating across the Green Line, in Tulkarm, where there are effectively no controls on waste disposal or air pollution. Other Israeli industrial polluters, including those working in the fields of asbestos, fibreglass, pesticides and flammable gases, also relocated to the Tulkarm area. According to a report by the Palestinian Society for the Protection of Human Rights and the Environment, the factory pollution directly affects 144 dunums of prime agricultural land and causes substantial damage to the public health.[23] The Israeli court has ordered some remedial action, including compensation to affected farmers, but the plant remains in operation.

27. The same report notes severe negative effects of the factory operation on the nearby community, including decay of a majority of trees and other vegetation around the plant, chemical dust and residue and a liquid substance causing a decrease in productivity in field and hot house agriculture, and factory by-products, including sodium and salt, prominent in soil samples of land found to be non-arable. These effects are a consequence of factory by-products and waste-water contamination of agricultural land.

28. The report further points to clear evidence of polluting groundwater through leakage of chemicals, and proof of the improper disposal of wastes and by-products.[23]

29. The report also documented a very high ratio of health-related problems among farmers and people living around the factory, including severe headaches, itchy eyes, spastic and chronic coughs and bronchial asthma.[23] The Palestinian Ministry of Agriculture notes that the public health of the community has not been well documented owing to decades of military occupation and direct conflict, suggesting that environmentally related health problems may be more pervasive than currently estimated. The long-term impact on soil and groundwater has similarly received inadequate attention.[24]

30. As a consequence of the harmful effects of Israeli-operated industry around Tulkarm, the Palestinian Ministry of Agriculture estimated that 17 per cent of Tulkarm's agricultural land has been affected by pollution originating at the six Israeli concerns that have located in the Tulkarm area. Three of the factories are sited on what Palestinians claim to be Waqf land. Other sites are claimed by private Palestinian owners. Several factories are located less than 100 metres from residential housing.[24]

31. There are hundreds of sites for the disposal of trash in the occupied territories, including dozens that are unauthorized. There are 246 sites in the West Bank north of Jerusalem alone. Most of the sites are simple, primitive sites with few if any environmental safeguards. And none is used exclusively by settlements or Palestinian communities. The Shomron Municipal Environmental Association acknowledges that the sites are improperly maintained, generating odours and smoke which are a nuisance to neighbouring residents, as well as posing a threat to groundwater quality.[25]

32. The site in Jiyous near Kalkilya is typical. Located on 12 dunums, 200 metres from the wadi that serves as a source of drinking water for the village of Azoun, the site opened in 1990. It is used principally by the settlements of Karnei Shomron, Keddu and Ma'al Shomron. The Shomron Municipal Environment Association is now being pressured by trash contractors in Israel to permit them to use the dump for trash generated in Israel, after the Israeli dump they had been using was closed by the Israeli Government.[26]

33. Israel conducted a geographical information system study in 1996 as part of an effort to develop a master plan to establish an order of priorities to improve and consolidate the system of trash disposal in the West Bank. The master plan for trash disposal in the West Bank is being conducted exclusively by Israel, without official or informal Palestinian participation.

34. There are literally thousands of stone quarries on the West Bank, supplying 80 per cent of the material needs of Israel's construction sector. Many of these stones are used in settlement construction.[26] The clouds of white dust produced by the quarries pose certain health risks. Recent reports note that those residing near such enterprises suffer from increased levels of asthma and acute bronchial infections.[27]

35. The mitigation of environmental problems in the occupied territories, including those caused by the existence and expansion of settlements, are viewed by Israelis as a forum for joint Israeli-Palestinian action. Yet, Israeli environmental planners in the territories continue to view Palestinians as junior partners, at best. Palestinians, for their part, are willing to cooperate with Israeli communities within Israel's pre-1967 borders, but they refuse, as a matter of principle, to participate in joint efforts with settlers.[26]

36. Palestinians have traditionally made up the bulk of the workforce engaged in the construction and daily maintenance of settlements throughout the occupied territories. Some 12,000 Palestinian labourers work in Israeli settlements; 3,500 work in the Erez industrial zone and settlements in the Gaza Strip, and 8,500 in industrial parks and settlements in the West Bank[27] not including those working in the settlement communities of East Jerusalem.

37. The unemployment situation in the West Bank and Gaza Strip remains critical, in particular owing to closures and increased reliance of Israel on expatriate workers from outside the region. The number of Palestinian workers in Israel dropped from an average of 120,000 on a monthly basis in 1992 to an average of about 25,000 in 1996.[28]

38. The overall economic environment in the West Bank and Gaza Strip inhibits investment and growth owing to the continued ambiguity of the legal and political situation. According to the Palestinian Economic Policy Research Institute, "the complex overlay of laws and Israeli military orders in force during the occupation remains in place. This is further aggravated by border closures which include banning movement of goods, factors of production and people between the Palestinian areas and Israel and the Gaza Strip, and between the rest of the West Bank and Jerusalem. Closure also often entails banning movement between the West Bank, Jordan and the Gaza Strip".[29]

39. In the period 1993-1996, there were a total of 342 days of closure affecting the Gaza Strip and 291 days in the West Bank. In 1996 alone, closures increased over the year before by 57 per cent in the West Bank and 35 per cent in the Gaza Strip. The 1996 closures differed from those in preceding years in that they were in effect for much longer periods, which has a significant effect on the continuity and regularity of production, marketing, income generation and employment.[30]

40. Frequent Israeli closures have been a major factor behind the 18 per cent drop in gross national product (GNP) in the West Bank and Gaza Strip and the 35 per cent drop in per capita GNP between 1992 and 1996. In addition, in 1997 gross domestic product (GDP) was estimated to have grown by 1.2 per cent, down from 5.5 per cent in 1996, as estimated by the Palestinian Authority and the International Monetary Fund, while the population growth was estimated at 4.5 per cent, thus explaining the further deterioration in GDP per capita in the West Bank and Gaza Strip.[31]

41. However, economic indicators show that the actual deterioration in standards of living has been far more dramatic in the West Bank, with a 19.7 per cent loss of per capita GDP compared with 8.4 per cent in the Gaza Strip in the period 1993-1995. This drop does not reflect the further deterioration, which occurred with the lengthy closures and widespread confrontations in later years.[32]

42. Frequent closures have also negatively affected trade, particularly exports from the territories, causing long delays at the border which are detrimental to export goods, particularly vegetables and fruits. In addition, the delay in arrival of raw materials from Israel to the West Bank and Gaza Strip leads to the upsetting of production plans and to a lowering of capacity utilization.[33]

43. Bank lending and deposits in the West Bank and Gaza Strip have been modest. In 1997, lending remained at about 19 per cent of the total assets, reflecting a depressed demand for credit by investors. The relatively low deposit/GDP ratio was, at the end of 1996, about 57.5 per cent. A further substantial increase in total bank deposits is not, however, expected to take place before a successful conclusion of final status negotiations. Owing to political uncertainties, many residents maintain bank accounts abroad.[34]

44. Tourism, which was one of the first economic sectors to benefit from the peace dividend as it boomed during the period 1994-1995, has been affected by the stalemate in the peace process. According to the Palestinian Economic Policy

Research Institute, "the Israeli authorities refuse to issue permits for new hotels or for expanding existing ones in East Jerusalem. This resulted in the freezing of the number of rooms at Arab-owned hotels in East Jerusalem at their 1967 level while the number of rooms at hotels operating in the rest of the West Bank and Gaza Strip declined. As a result of Israeli licensing policies, the number of Palestinian guides in East Jerusalem dropped from 154 in 1967 to 47 in 1995, and their number in the rest of the West Bank and Gaza Strip was down to 24 in 1995, six of whom were newly licensed by the Palestinian Ministry of Tourism. Furthermore, the fact that the Israeli authorities neglected the infrastructure in the West Bank and Gaza Strip has made it difficult for the tourism sector to attract new investments".[35] Visitors to the West Bank and Gaza Strip still come through Israeli airports. Palestinian travel agents are prevented from meeting arriving clients and there are no tourist bus companies based in the West Bank outside East Jerusalem.[36]

45. While incentives and investment continued to promote the Israeli civilian presence in the Syrian Golan, the Arab population faces further deterioration in their living conditions owing to Israeli settlements, restrictions on employment opportunities and education, as well as the Israeli taxation policy.[37]

46. In the Golan Heights, there are currently 15,000 Israelis living in 33 settlement communities established in the wake of Israel's 1967 capture of the Golan Heights. The Syrian population, numbering an equal amount, resides in five villages in the Golan's north-eastern corner.[38]

47. Some 2,000 dwellings are in various stages of construction in the Golan settlements. The completion of some was frozen by previous governments. Others were rented to army officers stationed in the area. A few completed units remained empty in previous years because of the lack of demand in view of the uncertainty created by negotiations between Israel and the Syrian Arab Republic over the Golan's future.[39]

48. In the months before Prime Minister Netanyahu's election, this picture was already changing. After the collapse of the negotiations with the Syrian Arab Republic in February 1996, then Prime Minister Shimon Peres ordered the sale of many of these apartments, and made building plots available for private construction. The last of the 700 units built during the past three years at Katzrin, the largest settlement, had already been sold. Katzrin's population grew by 50 per cent during this period, from 4,000 to 6,000. A full 20 per cent of the area's residents arrived during 1996.[40] Planning and site work for 1,000 additional units is currently under way. Some 115 new units for the Elad settlement were approved in April 1996.[41] And in May 1996, the Golan Regional Council began a drive to sell 250 units scattered throughout the area's 32 settlements.

49. Among the most prominent projects now under way are a $130 million tourism and hotel project at Hamat Gader, a deal between MacDonald's and the kibbutz settlement of Merom Golan to grow potatoes for the company's french fries on 300 dunums, and at the settlement of Ortal, a $4.5 million dairy, the largest in the Middle East.[42]

50. At meetings with Golan settlers soon after his election, Prime Minister Netanyahu reiterated his commitment to increase Katzrin's population to 15,000 during his tenure. He also announced his approval of the "Golan 2000" plan presented to him before the election. The plan calls for a $202 million public sector investment in infrastructure, and new housing construction in 10 settlements, to reach the goal of increasing the plateau's Israeli population by 10,000 during the next four years.[43]

51. On 20 January 1997, construction began on 600 new units at the settlements of Hmat Ghadar, Ramot and Gamla.[44] "In fact", noted *Ma'ariv* on 30 December 1996, "we are speaking of an 'expansion plan' according to which new settlements will be established in the Golan, under the rubric of 'expanding' existing settlements".[45] Three new settlements will be established as part of the first stage of the expansion. Despite such efforts to increase the Golan settler population, by May 1996, settlement leaders were complaining that there was an "enormous gap" between settlement plans and their actual implementation.[46]

52. At the outset of a campaign to expand residential construction and to increase the settler population – part of the "Golan 2000" programme – settlement leaders reported that the settler population in the Golan is to increase by 10,000 to more than 25,000 by the year 2000.[47]

53. Settlement leader Yehuda Wolman reported that 1,600 units had been constructed in the period 1989-1996, at a rate averaging 225 units annually. He also noted that of the 14,000 Israelis residing in the Golan, 3,000 are employed by the local government council, and one third are engaged in agriculture. In 1996, agricultural production reached $240 million, while industrial production reached $100 million, tourism $40 million, sales and services $50 million, and public services $20 million. Investment in industrial production amounted to $16 million in the period 1992-1996.[48] Settlement expansion is concentrated at the settlement of Katzrin, with a current population of 7,000, the largest among 32 Golan settlements. Three hundred new units were begun in mid-1997 and formal approval from the Minister of Defence was awaited to begin construction of

an additional 1,000 units. To enable construction of the 1,000 units, the municipal area of Katzrin was expanded by 1,200 dunums bordering a nature reserve.[49]

54. For the first time since the beginning of Israeli settlement in the Golan, a private sector contractor, as opposed to government companies, undertook a residential construction project. The 300 cottages being built at Katzrin sell for $95,000 to $110,000. The State provides subsidized grants, benefits and loans comprising 90 per cent of this amount.[49] For example, beginning in October 1997, 35 building plots were marketed in the settlement of Katzrin as part of the popular "build your own house" programme. The one-half dunum plots were offered at no cost. Buyers were required to pay $10,000 towards development costs, one half the actual investment by the State. By mid-December, more than 100 prospective buyers had signed up for the 35 available lots.[50]

55. A number of incentives were adopted to attract prospective Israeli settlers into the Golan Heights, including individual grants of 50,000 shekels (equivalent to US$ 16,500) and mortgage facilities as high as 95 per cent of the value of the house, with generous repayment terms.[51] In addition, substantial state subsidies are provided in various economic sectors to strengthen the Israeli settlements policy. This includes an ongoing plan for the development of tourism in the Golan Heights, which is estimated at about US$ 5.5 million. Of that sum, $4 million is in the form of government funding. The Ministry of Tourism sponsors this project, in cooperation with the Jewish agency and the local council of settlements in the Golan.[52]

56. Employment opportunities for the Syrian Arab population in the Golan Heights are extremely restricted, since the movement of the Arab population between the Golan and the Syrian Arab Republic remains problematic with the current stalled peace process. Hence, the only employment opportunities available to the Syrian population in the Golan are limited to unskilled and semi-skilled daily wage labour. In most conditions, these workers have no access to social benefits, and health insurance and are under constant threat of being made redundant with no compensation. In addition, a substantial differential in wages prevails, to the detriment of the Syrian Arab population of the Golan.[53] Furthermore, improvement of living conditions is further aggravated owing to restrictions on expanding educational facilities, facilitation of education in the Syrian Arab Republic and access to education in Israeli colleges.[54]

57. The Arab population living in the Golan are subjected to prohibitive levels of taxation, including tax on income, health services, local councils, land and housing ownership, value added, ownership of cattle and use of water resources. Such measures have systematically deterred the Arab population from investing in agricultural or small-scale industrial development and have incited many of them to give up farming, or move to other areas and seek wage labour employment.[55]

*Notes*

[1] On 28 September 1995, in Washington, D.C., Israel and the Palestine Liberation Organization (PLO) signed the Israeli-Palestinian Interim Agreement on the West Bank and Gaza Strip. This accord detailed the mechanisms for, and the limitation of, the extension of Palestinian self-rule to significant portions of the West Bank. The main feature of the Agreement was the provision for the division of the West Bank into three areas, each with varying degrees of Israeli and Palestinian responsibility. Area A consisted of the seven major Palestinian towns, Jenin, Kalkiliya, Tulkarm, Nablus, Ramallah, Bethlehem and Hebron, in which Palestinians would have complete authority for civilian security. In area B, which comprised all other Palestinian population centres (except for some refugee camps), Israel would retain "overriding security responsibility". In area C, which includes all settlements, military bases and areas, and State lands, Israel would retain sole security authority.

[2] Based on the report of the Civil Administration for the West Bank, chart 8.7 (no date).

[3] Based on the Economic and Social Commission for Western Asia, *The Socio-Economic Impact of Israeli Settlements* (to be issued shortly).

[4] Israeli attorney Daniel Seidemann, as quoted in Foundation for Middle East Peace, *Report on Israeli Settlements in the Occupied Territories* (Washington, D.C., March 1997), p. 8.

[5] Foundation for Middle East Peace, *Report on Israeli Settlements in the Occupied Territories* (Washington, D.C., March 1998), p. 1.

[6] Nadav Shargay, in *Ha'aretz*, 31 May 1992.

[7] Foundation for Middle East Peace, *Report on Israeli Settlements in the Occupied Territories* (Washington, D.C., July 1997), p. 1.

[8] Jan de Jong, in "Greater Jerusalem", a special report of the Foundation for Middle East Peace (Washington, D.C., summer 1997), p. 4SR.

[9] E-1 Development Plan and Environment 1998; E-1 analysis, presented in "E-1 settlement expansion plans – preempting the growth of Arab Jerusalem", a special report of the Foundation for Middle East Peace (Washington, D.C., winter 1998).

[10] Central Bureau of Statistics, Statistical Abstract of Israel, 1995, p. 764.

[11] Central Bureau of Statistics, Statistical Abstract of Israel, 1995 and 1992.

[12] Central Bureau of Statistics, Statistical Abstract of Israel, 1995, p. 776.

[13] Miriam Lowi, "West Bank water resources and the resolution of conflict in the Middle East", American Academy of Arts and Sciences, September 1992.

[14] *Al-Wasat*, 21 April 1993.

[15] Peace Now, "The real map – a demographic and demographical analysis of the population of the West Bank and Gaza Strip" (Jerusalem, January 1993).

[16] "Israeli obstacles to economic development in the occupied territories", report prepared by the Jerusalem Media and Communications Center, November 1992, p. 49.

[17] Aookued Research Institute, "Environmental profile of the West Bank" (Jerusalem, no date).

[18] Shomron Municipal Environmental Association Report (no date), p. 5.

[19] Ibid., p. 6.

[20] Hisham Abdallah, "A tour of the West Bank: from settlement to settlement", *Agence France Presse*, 17 October 1997.

[21] The Palestinian Society for the Protection of Human Rights and the Environment, "Water quality in the West Bank" (October 1996), p. 6.

[22] The Palestinian Society for the Protection of Human Rights and the Environment, op. cit., p. 9.

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